

REFERENCE TITLE: property tax levy; calculation; federal monies

State of Arizona
Senate
Fifty-fifth Legislature
Second Regular Session
2022

SB 1274

Introduced by
Senator Leach

AN ACT

PROVIDING FOR A PRIMARY PROPERTY TAX REDUCTION FOR TAX YEARS 2022 AND 2023.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. County, city or town; primary property tax levy
3 for tax years 2022 and 2023; delayed repeal;
4 definition

5 A. For tax year 2022, if a county's, city's or town's proposed
6 primary property tax levy, excluding amounts that are attributable to new
7 construction, is greater than the amount levied by the county, city or
8 town in the 2021 tax year in the county, city or town and the county, city
9 or town received monies under section 603 of the American rescue plan act
10 of 2021 (P.L. 117-2; 135 Stat. 4), the county, city or town shall use the
11 monies received under section 603 of the American rescue plan act of 2021
12 to reduce the proposed primary property tax levy so that the property tax
13 levy does not exceed the 2021 tax year's amount except for amounts
14 attributable to new construction.

15 B. For tax year 2023, if a county's, city's or town's proposed
16 primary property tax levy, excluding amounts that are attributable to new
17 construction, is greater than the amount that would have been levied by
18 the county, city or town in the 2022 tax year in the county, city or town
19 if the county, city or town had not reduced the levy pursuant to
20 subsection A of this section and the county, city or town received monies
21 under section 603 of the American rescue plan act of 2021 (P.L. 117-2; 135
22 Stat. 4), the county, city or town shall use the monies received under
23 section 603 of the American rescue plan act of 2021 to reduce the proposed
24 primary property tax levy so that the property tax levy does not exceed
25 the amount that would have been levied by the county, city or town in the
26 2022 tax year if the county, city or town had not reduced the levy
27 pursuant to subsection A of this section except for amounts attributable
28 to new construction.

29 C. At the end of each tax year, the county, city or town may spend
30 any monies the county, city or town received under section 603 of the
31 American rescue plan act of 2021 (P.L. 117-2; 135 Stat. 4) that exceed the
32 amount needed to reduce the primary property tax levy pursuant to this
33 section for that tax year at the county's, city's or town's discretion.

34 D. For tax year 2024, the county, city or town may disregard any
35 monies the county, city or town received under section 603 of the American
36 rescue plan act of 2021 (P.L. 117-2; 135 Stat. 4) and calculate the
37 primary property tax levy for the tax year as if those monies were not
38 included to reduce the primary property tax levy for the preceding two tax
39 years.

40 E. The property tax oversight commission shall review the primary
41 property tax levy calculation under this section for each county, city and
42 town to determine if there is a violation of this section.

43 F. This section is repealed from and after December 31, 2026.

1 G. For the purposes of this section, "amount attributable to new
2 construction" means the net assessed valuation of property added to the
3 tax roll since the previous year multiplied by a property tax rate
4 computed by dividing the primary property tax levy of the county, city or
5 town in the preceding year by the estimate of the total net assessed
6 valuation of the county, city or town for the current year, excluding the
7 net assessed valuation attributable to new construction.

8 Sec. 2. Retroactivity

9 This act applies retroactively to from and after December 31, 2021.

10 Sec. 3. Short title

11 This act may be cited as the "Local Tax Cut Act of 2021".